

A close-up photograph of several hands of different skin tones reaching up to hold a single, torn piece of dry, brown bread. The hands are positioned in a way that suggests sharing or holding the food together. The background is blurred, showing hints of clothing like a blue shirt and a patterned sleeve.

Land & water grabbing and the global food crisis

GRAIN

Land & water grabbing?

Here, we're referring to:

- the **acquisition** (lease, concession, outright purchase)
- by **corporations** or **states**
- of **large areas** of farmland and water rights (>10,000 ha),
- in **another country** and
- on a **long-term** basis (often 30-99 years),
- for the production of **basic foods** that will then be **exported**



A new problem? Yes.

The origin

- Food crisis → “Farming abroad” now seen as new food supply strategy by import-dependent governments
- Financial crisis → Farmland now seen as new source of returns (new asset class) by the finance industry

The focus: Staple foods, rather than coffee and rubber

The scope and speed:

- More than 60 countries targeted by hundreds of investment groups and a dozen or so governments.
- Globally, World Bank (2011) says 56 m ha leased or sold 2008-9. ILC (2011) says 80 m ha since 2001. According to the Land Matrix (2012) it's 227 m ha.
- In Africa, Global Land Project (2010) says 62 m ha in 27 countries in 2009. Oakland Institute (2011) says 50 m ha in 20 countries.

This is clearly not something happening in isolation. It is part of a larger process of expansion and restructuring of global agribusiness (corporate integration, emergence of new actors, rising South-South capital flows, deepening financialisation of agriculture) that displaces and destroys peasantries and other rural peoples and takes control of natural resources.

The lead actors

States: In certain cases States seek, support and facilitate the deals. The main governments seeking land: the Gulf States, South Korea, China, Japan and the former Libyan regime. But also Singapore, India, Malaysia, Mauritius, South Africa, WAEMU...

Companies: They undertake the projects (whether on their own or under prodding from the State). Mixture of agribusiness firms, industrial groups and, most of all, investment funds.

Multilateral agencies: Development banks, bilateral cooperation and international institutions are involved in promoting these deals.

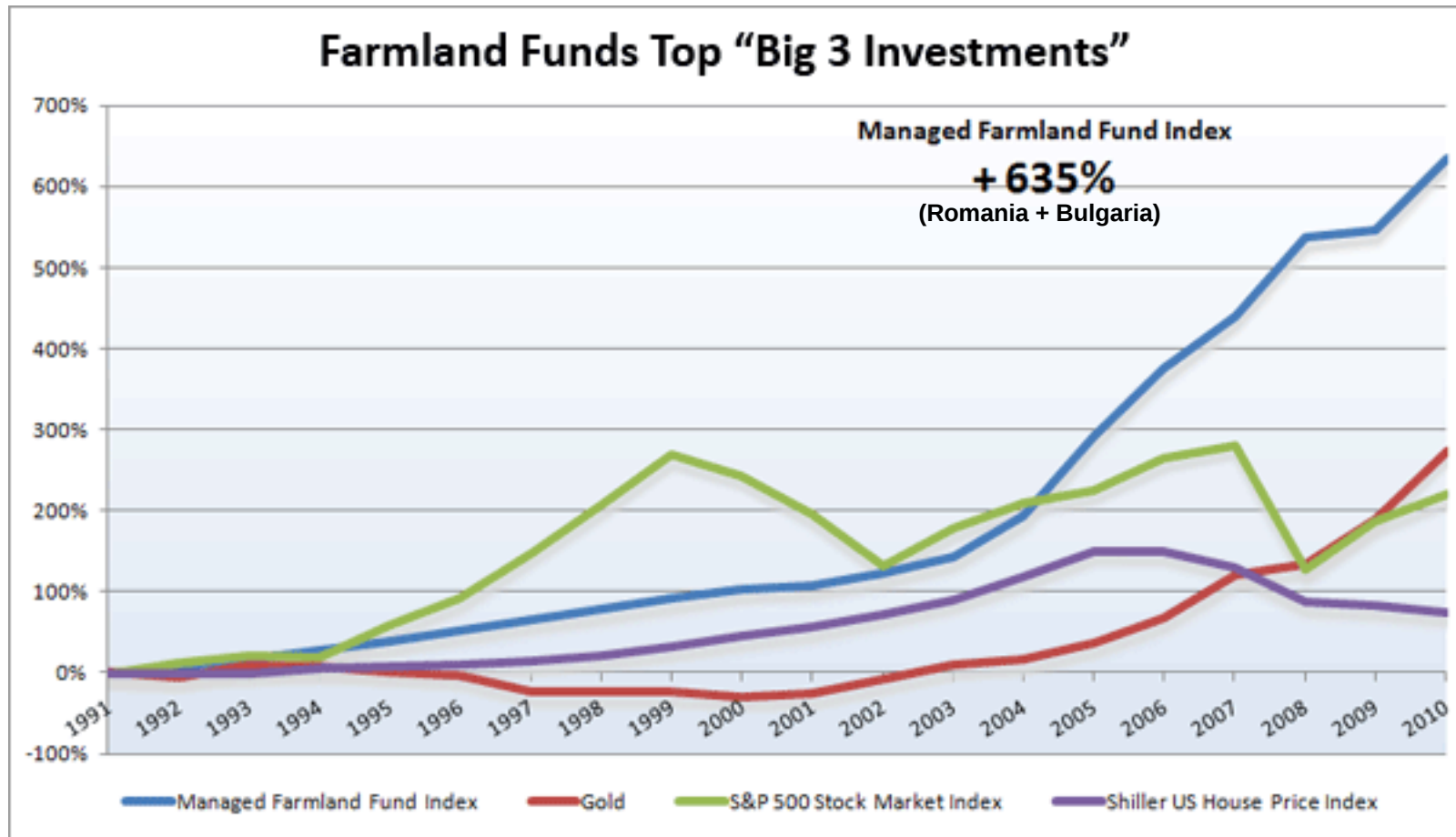


(former) Philippine president in farmland negotiation with Gulf States



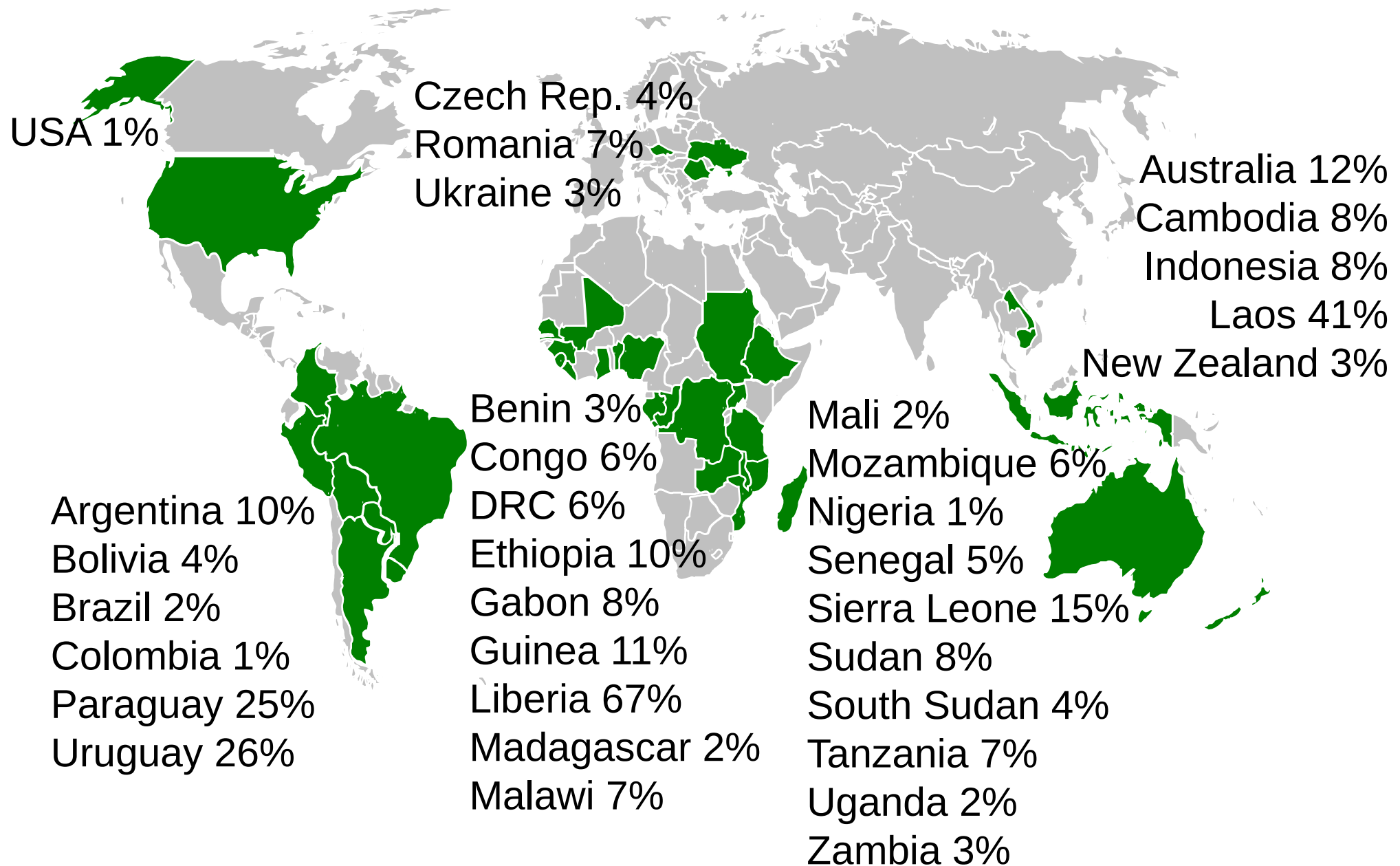
India's Karuturi farming in Ethiopia, with plans to expand to Tanzania, Uganda and Kenya.

The financial sector's interest



Source: Black Sea Agriculture, 2011

Percentage of farmlands controlled by foreigners for agri-food production in selected countries





What about the water implications?

When the Nile runs dry: water for 10 m ha.?



Egypt: Over 140,000 ha given to Saudi and Emirate investors

Ethiopia: 3.6 million ha to be put under irrigation by foreign investors – mostly from the Nile

Sudan (incl S.Sudan): 4.9 million hectares along the Nile basin already signed away.

Uganda: investors from China, Egypt, Singapore and India given a total of 868,000 ha.

Ethiopia

- 2011: The **Ethiopian government** has already leased or sold 3.6 million ha to foreign companies and promises to make another 7 million ha available. The top takers are Indian (35 companies so far), followed by Saudis, Europeans and Israelis.
- **Karuturi** (India) is one of the largest landowners with 300,000 ha in Gambela (rented for 0.8\$US/ha/yr) and 11,000 ha in Oromia. The company will produce maize, rice, palm oil and sugar for the global market.
- **Sheikh Al-Amoudi** (Saudi Arabia) acquired 10,000 ha in Alwero in 2008, then 130,000 ha in Gambela and wants another 500,000 ha. Goal: to produce 1 million tonnes of rice per year, to sell for US\$1 billion per year on the global market.
- Workers paid US\$0.7/day. Locals lose access to lands for grazing herds & growing teff. Their protests are put down by the police.
- More than 10 m. Ethiopians need emergency food aid.

Ethiopia: the impact

- FAO gives Ethiopia an irrigation potential of 2.6 m ha, but 3.6 has already been leased out!
- OI calculates that this means multiplying water withdrawal by a factor 9
- In Gambela (focus of landgrabbing), 70,000 indigenous people are being removed from their territories to areas that lack water and farm potential (HRW)
- Karuturi is building 4m high dams around its plantations, thus blocking access to water and land for the remaining communities. Farmers, pastoralists and fisherfolk are all affected.
- And nobody has even started to figure out what all this means for ecosystems and livelihoods further downstream

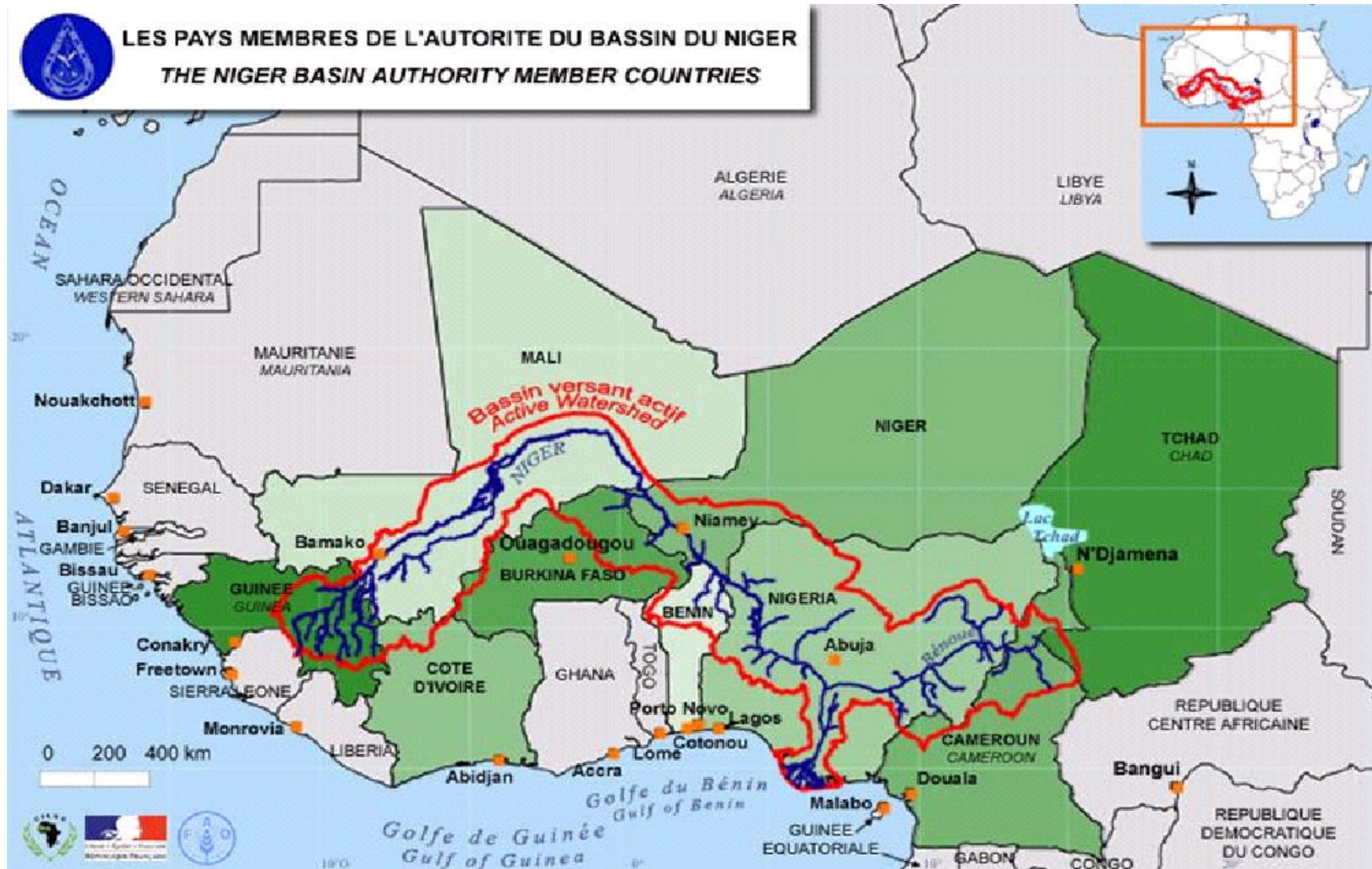
Ethiopia: the impact -2

- But the Nile basin just one of the areas where land and water are being grabbed: the Omo river is another.
- A huge and controversial dam (Gibe III) is being build and 350,000 ha are earmarked for irrigated industrial agriculture downstream, incl for a sugarcane production.
- Half a million indigenous people relying on the Omo and lake Turkana, will now see access to the river cut off, and the annual flooding of their lands eliminated.
- Studies suggest that irrigating 300,000 ha would lower the level of lake Turkana by 17 m. (it's 30 m deep)
- The complex and diverse agro-pastoralist systems developed over centuries will be wiped out, and many tribes will disappear. The customary rights of the local communities over their land are totally ignored.

Sudan & South Sudan

- Currently, these 2 countries have 1.8 m ha prepared for irrigation (e.g. Gezira). FAO puts the irrigation potential at 2.8 m ha.
- GRAIN calculates that, together, these two countries have already leased 4.9 m ha to investors from the US, Egypt, Emirates, S. Korea, Saudi, a.o.
- An incognito is what will happen with the huge Sudd wetlands in S. Sudan. Egypt is eager to relaunch plans to build the Jonglei canal which would destroy this fragile ecosystem
- Impact on local communities are likely to be the same as in Ethiopia: displacements, blocked access to water and land, loss of livelihoods.
- If plans in Ethiopia and Sudan go ahead, Egypt which is totally dependent on the Nile, will suffer & react.

The Niger basin



The Niger is the lifeline for millions that live in its basin. It's a fragile system and its water level has dropped 30% in the past 30 years.

Mali – Office du Niger

- Mali's Office du Niger already has irrigation on some some 300.000 ha. Now it's government has leased another 500.000 ha to foreign investors, and has announced that it might offer 1-2 m ha more.
- This level of water withdrawal will seriously affect the delta itself, and all countries/peoples downstream.
- Small scale irrigation schemes have already been affected as newly dug canals block access. Especially women groups have lost their vegetable gardens.
- Fisherfolk and pastoralists are also affected, as the very future of the Niger is at stake.
- And: landgrabbing is also taking place in the other countries along the Niger!

And so many more....



Hyundai is leasing 10,000 ha in Russia to grow cereals for the Korean market



Public and private investors from the Gulf are already involved in over 100 overseas farmland deals involving tens of millions of hectares, mostly in Africa and Asia



Established by Lord Rothschild in 2008 to buy farmland in Brazil, Agrifirma controls 42 000 ha there and has invested more than US\$241 m, making returns of 20%

Philippe Heilberg, ex-trader for Solomon Brothers and AIG, now CEO of Jarch Capital (US), bought 400,000 ha of farmland in South Sudan.



Neil Crowder of Chayton Capital, a UK private equity fund. He quit Goldman Sachs to invest in agriculture in Zambia, Botswana and 4 other countries with the support of the World Bank's MIGA. Controlling land is crucial to his strategy even if he cannot directly own it in some cases.



José Minaya of TIAA-CREF (USA). This giant pension fund already holds more than 600,000 ha (US\$2.5 billion) in Australia, Brazil, Poland, Romania and the US



Jeffrey Currie of Goldman Sachs calls land grabbing 'a good thing'. Goldman Sachs recently bought 10 poultry farms in mainland China for US\$300 million.



The PM of Kazakhstan promised the Chinese government it would make available 1 million ha for China to grow soybeans.



Sunny Verghese, CEO of Olam, has 300,000 ha in Gabon



Susan Payne of Emergent Asset (UK). They have over 150,000 ha in Angola, Botswana, South Africa, Swaziland, Mozambique and Zambia.

What does all this water grabbing mean?

- Rights of local communities to water and land that they have been using for centuries are ignored, while foreign business can take the water it wants – implicitly or explicitly
- Relocation and 'villagization' of communities to poorer and dryer areas cause more hardship and hunger.
- Pastoralists are forced to settle & lose access to land and water. Fisherfolk lose livelihoods. Wildlife migration routes get blocked or destroyed.
- Mega monoculture plantations destroy ecosystems and pollute water sources.
- Increased geopolitical tensions as watergrabbing in one country impacts others downstream.
- Suicidal development: the very future of Africa's big rivers is at stake as the new plantations drain the water to produce crops for export.

All this in order to give agribusiness and investment funds the responsibility to feed the world?

But people are fighting back

What needs to be done?

Resist RAI & similar diversion tactics!

Support Farmers Organisations and others in:

- mobilize to cancel projects & respect customary rights
- help building capacity to react
- research and info work to show what's going on

Organise campaigns:

- to denounce landgrabbers & allies from your country: pension funds, development financing, and others
- stop agrofuel subsidies and directives
- visualize the disastrous water implications!

Call for genuine agrarian reforms, and policies to support and implement food sovereignty